

DPD-6439-59

25 September 1959

MEMORANDUM FOR : Audit Liaison Officer

SUBJECT : Questioned Costs under Contract No. ST-505
with The Firewal Company, Inc.

1. Reference is made to Advisory Audit Report #460 dated 18 May 1959 pertaining to Contract No. ST-505 with The Firewal Company, Inc.

2. By reference to Paragraphs C and D of the attached memorandum from the Contractor it will be noted that the contractor does not agree with the salary disallowances and room and board disallowances set forth in Exhibit "A" to the referenced report. In accordance with agreement reached with you and Walt in our recent discussion of the contract it is requested that the costs questioned in the columns entitled "Salary in Excess of Contract Limitations" and "Excess Cost for Room and Board Due to Non-utilization of Various Government Facilities" again be reviewed with the contractor's records.


3. Other costs questioned in Exhibit A as being recovered through overhead have been disallowed. The unsubstantiated charges will be negotiated further with the contractor.

4. Please let me have your supplementary report pursuant to the request made in Par. 2 above at the earliest practicable date.


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Contracting Officer

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